



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-602-809, A-351-845, A-588-874, A-580-883, A-421-813, A-489-826, A-412-825]

### **Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, the Republic of Korea, the Netherlands, the Republic of Turkey, and the United Kingdom: Initiation of Less-Than-Fair-Value Investigations**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**DATES:** *Effective:* [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Alexis Polovina at (202) 482-3927

(Australia); Yang Jin Chun at (202) 482-5760 (Brazil); Jack Zhao at (202) 482-1396 (Japan); Matthew Renkey or Javier Barrientos at (202) 482-2312 and (202) 482-2243, respectively (the Republic of Korea (Korea)); Dmitry Vladimirov at (202) 482-0665, (the Netherlands); Jack Zhao at (202) 482-1396 (the Republic of Turkey (Turkey)); and Yang Jin Chun at (202) 482-5760 (the United Kingdom), AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

### **SUPPLEMENTARY INFORMATION:**

#### The Petitions

On August 11, 2015, the Department of Commerce (the Department) received antidumping duty (AD) Petitions concerning imports of certain hot-rolled steel flat products (hot-rolled steel) from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom, filed in proper form on behalf of AK Steel Corporation, ArcelorMittal USA LLC, Nucor Corporation, SSAB Enterprises, LLC, Steel Dynamics, Inc., and United States Steel

Corporation (Petitioners).<sup>1</sup> The AD Petitions were accompanied by three countervailing duty (CVD) Petitions.<sup>2</sup> Petitioners are domestic producers of hot-rolled steel.<sup>3</sup>

On August 14, 2015, the Department requested additional information and clarification of certain areas of the Petitions.<sup>4</sup> Petitioners filed responses to these requests on August 18, 2015, August 20, 2015, and August 26, 2015.<sup>5</sup>

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), Petitioners allege that imports of hot-rolled steel from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom, are being, or are likely to be, sold in the United States at less-than-fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States. Also, consistent with section 732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to Petitioners supporting their allegations.

The Department finds that Petitioners filed these Petitions on behalf of the domestic industry because Petitioners are interested parties as defined in section 771(9)(C) of the Act. The Department also finds that Petitioners demonstrated sufficient industry support with respect to

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<sup>1</sup> See Petitions for the Imposition of Antidumping Duties on Imports of Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom, dated August 11, 2015 (the Petitions).

<sup>2</sup> See the Petitions for the Imposition of Countervailing Duties on Imports of Certain Hot-Rolled Steel Flat Products from Brazil, Korea, and Turkey, dated August 11, 2015.

<sup>3</sup> See Volume I of the Petitions, at 2, and Exhibit I-1.

<sup>4</sup> See Letter from the Department to Petitioners entitled “Re: Petitions for the Imposition of Antidumping Duties and Countervailing Duties on Imports of Certain Hot-Rolled Steel Flat Products from Brazil, Korea, and Turkey and Antidumping Duties on Imports of Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom: Supplemental Questions” dated August 14, 2015; (General Issues Supplemental Questionnaire), and Letters from the Department to Petitioners entitled “Re: Petition for the Imposition of Antidumping Duties on Imports of Certain Hot-Rolled Steel Flat Products from {country}: Supplemental Questions” on each of the country-specific records, dated August 14, 2015.

<sup>5</sup> See Responses to the Department’s August 14, 2015 Questionnaires Regarding Volumes II, III, IV, V, VI, VII, and VIII, of the Petitions for the Antidumping and Countervailing Duties, each dated August 18, 2015; see also Response to the Department’s August 14, 2015 Questionnaire Regarding Volume I of the Petitions for Antidumping and Countervailing Duties, dated August 20, 2015 (General Issues Supplement); see also Scope Supplement to the Petitions, dated August 26, 2015 (Scope Supplement).

the initiation of the AD investigations that Petitioners are requesting.<sup>6</sup>

#### Period of Investigations

Because the Petitions were filed on August 11, 2015, the period of investigations (POI) is, pursuant to 19 CFR 351.204(b)(1), July 1, 2014, through June 30, 2015.

#### Scope of the Investigations

The product covered by these investigations is hot-rolled steel from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom. For a full description of the scope of these investigations, see the “Scope of the Investigations,” in Appendix I of this notice.

#### Comments on Scope of the Investigations

During our review of the Petitions, the Department issued questions to, and received responses from, Petitioners pertaining to the proposed scope to ensure that the scope language in the Petitions would be an accurate reflection of the products for which the domestic industry is seeking relief.<sup>7</sup>

As discussed in the preamble to the Department’s regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope). The Department will consider all comments received from parties and, if necessary, will consult with parties prior to the issuance of the preliminary determination. If scope comments include factual information (see 19 CFR 351.102(b)(21)), all such factual information should be limited to public information. In order to facilitate preparation of its questionnaires, the Department requests all interested parties to submit such comments by 5 p.m. Eastern Daylight Time (EDT) on Monday, September 21, 2015, which is the first business day after 20 calendar days from the signature

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<sup>6</sup> See the “Determination of Industry Support for the Petitions” section below.

<sup>7</sup> See General Issues Supplemental Questionnaire; see also General Issues Supplement; see also Scope Supplement.

date of this notice.<sup>8</sup> Any rebuttal comments, which may include factual information, must be filed by 5 p.m. EDT on Tuesday, October 1, 2015, which is 10 calendar days after the initial comments.

The Department requests that any factual information the parties consider relevant to the scope of the investigations be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact the Department and request permission to submit the additional information. All such comments must be filed on the records of each of the concurrent AD and CVD investigations.

#### Filing Requirements

All submissions to the Department must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS).<sup>9</sup> An electronically filed document must be received successfully in its entirety by the time and date when it is due. Documents excepted from the electronic submission requirements must be filed manually (i.e., in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

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<sup>8</sup> See 19 CFR 351.303(b).

<sup>9</sup> See Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures, 76 FR 39263 (July 6, 2011) for details of the Department's electronic filing requirements, which went into effect on August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

### Comments on Product Characteristics for AD Questionnaires

The Department will give interested parties an opportunity to provide comments on the appropriate physical characteristics of hot-rolled steel to be reported in response to the Department's AD questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors and costs of production accurately as well as to develop appropriate product-comparison criteria.

The Department will release a proposed list of physical characteristics and product-comparison criteria, and interested parties will have the opportunity to provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: 1) General product characteristics and 2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe hot-rolled steel, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

All comments and submissions to the Department must be filed electronically using ACCESS, as explained above, on the records of the Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom less-than-fair-value investigations.

### Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product,<sup>10</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of

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<sup>10</sup> See section 771(10) of the Act.

either agency contrary to law.<sup>11</sup>

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petitions).

With regard to the domestic like product, Petitioners do not offer a definition of the domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that hot-rolled steel constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product.<sup>12</sup>

In determining whether Petitioners have standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in Appendix I of this notice.

Petitioners provided their production volume of the domestic like product in 2014, as well as an

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<sup>11</sup> See USEC, Inc. v. United States, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing Algoma Steel Corp., Ltd. v. United States, 688 F. Supp. 639, 644 (CIT 1988), aff’d 865 F.2d 240 (Fed. Cir. 1989)).

<sup>12</sup> For a discussion of the domestic like product analysis in this case, see Antidumping Duty Investigation Initiation Checklist: Certain Hot-Rolled Steel Flat Products from Australia (Australia AD Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, the Republic of Korea, the Netherlands, the Republic of Turkey, and the United Kingdom (Attachment II); Antidumping Duty Investigation Initiation Checklist: Certain Hot-Rolled Steel Flat Products from Brazil (Brazil AD Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Certain Hot-Rolled Steel Flat Products from Japan (Japan AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Certain Hot-Rolled Steel Flat Products from the Republic of Korea (Korea AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Certain Hot-Rolled Steel Flat Products from the Netherlands (Netherlands AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Certain Hot-Rolled Steel Flat Products from the Republic of Turkey (Turkey AD Initiation Checklist); and Antidumping Duty Investigation Initiation Checklist: Certain Hot-Rolled Steel Flat Products from the United Kingdom (United Kingdom AD Initiation Checklist). These checklists are dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

estimate of total production of the domestic like product for the entire domestic industry.<sup>13</sup> To establish industry support, Petitioners compared their own production to total estimated production of the domestic like product for the entire domestic industry.<sup>14</sup>

Our review of the data provided in the Petitions, General Issues Supplement, and other information readily available to the Department indicates that Petitioners have established industry support.<sup>15</sup> First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (e.g., polling).<sup>16</sup> Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.<sup>17</sup> Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.<sup>18</sup> Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1)

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<sup>13</sup> See Volume I of the Petitions, at 2-4 and Exhibits I-3 and I-4; see also General Issues Supplement, at 8-9.

<sup>14</sup> Id. For further discussion, see Australia AD Initiation Checklist, Brazil AD Initiation Checklist, Japan AD Initiation Checklist, Korea AD Initiation Checklist, Netherlands AD Initiation Checklist, Turkey AD Initiation Checklist, and United Kingdom AD Initiation Checklist, at Attachment II.

<sup>15</sup> See Australia AD Initiation Checklist, Brazil AD Initiation Checklist, Japan AD Initiation Checklist, Korea AD Initiation Checklist, Netherlands AD Initiation Checklist, Turkey AD Initiation Checklist, and United Kingdom AD Initiation Checklist, at Attachment II.

<sup>16</sup> See section 732(c)(4)(D) of the Act; see also Australia AD Initiation Checklist, Brazil AD Initiation Checklist, Japan AD Initiation Checklist, Korea AD Initiation Checklist, Netherlands AD Initiation Checklist, Turkey AD Initiation Checklist, and United Kingdom AD Initiation Checklist, at Attachment II.

<sup>17</sup> See Australia AD Initiation Checklist, Brazil AD Initiation Checklist, Japan AD Initiation Checklist, Korea AD Initiation Checklist, Netherlands AD Initiation Checklist, Turkey AD Initiation Checklist, and United Kingdom AD Initiation Checklist, at Attachment II.

<sup>18</sup> Id.



of the Act.

The Department finds that Petitioners filed the Petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they have demonstrated sufficient industry support with respect to the AD investigations that they are requesting the Department to initiate.<sup>19</sup>

#### Allegations and Evidence of Material Injury and Causation

Petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, Petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>20</sup> Petitioners contend that the industry's injured condition is illustrated by reduced market share; underselling and price suppression or depression; lost sales and revenues; decline in production, shipments, and capacity utilization; and decline in financial performance.<sup>21</sup> We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.<sup>22</sup>

#### Allegations of Sales at Less-Than-Fair Value

The following is a description of the allegations of sales at less-than-fair value upon which the Department based its decision to initiate investigations of imports of hot-rolled steel

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<sup>19</sup> Id.

<sup>20</sup> See Volume I of the Petitions, at 21-22 and Exhibit I-11.

<sup>21</sup> See Volume I of the Petitions, at 15-19, 21-42 and Exhibits I-4, I-6, I-9 and I-11 through I-17; see also General Issues Supplement, at 9-10.

<sup>22</sup> See Australia AD Initiation Checklist, Brazil AD Initiation Checklist, Japan AD Initiation Checklist, Korea AD Initiation Checklist, Netherlands AD Initiation Checklist, Turkey AD Initiation Checklist, and United Kingdom AD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, the Republic of Korea, the Netherlands, the Republic of Turkey, and the United Kingdom.

from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the country-specific initiation checklists.

#### Export Price

For the Netherlands, Turkey, and the United Kingdom, Petitioners based export price (EP) U.S. prices on price quotes/offers for sales of hot-rolled steel produced in, and exported from, the subject country.<sup>23</sup> For the Netherlands and the United Kingdom, Petitioners also based EP U.S. prices on average unit values (AUVs) of U.S. imports from those countries.<sup>24</sup> For Australia, Brazil, and Japan, Petitioners used AUV data as the basis for U.S. price.<sup>25</sup> Where applicable, Petitioners made deductions from U.S. price for movement expenses consistent with the delivery terms.<sup>26</sup> Where applicable, Petitioners also deducted from U.S. price trading company/distributor/reseller mark-ups estimated using Petitioners' knowledge of the U.S. industry.<sup>27</sup>

#### Constructed Export Price

For Korea, because Petitioners had reason to believe the sale was made through a U.S. affiliate, Petitioners based constructed export price (CEP) on a price quote/offer for sale of hot-rolled steel produced in, and exported from, Korea.<sup>28</sup> Petitioners made deductions from U.S. price for movement expenses consistent with the delivery terms, imputed credit expenses, and deducted from U.S. price trading company/distributor/reseller mark-ups estimated using publicly

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<sup>23</sup> See the Netherlands AD Initiation Checklist; Turkey AD Initiation Checklist, and the United Kingdom AD Initiation Checklist.

<sup>24</sup> See the Netherlands AD Initiation Checklist and the United Kingdom AD Initiation Checklist.

<sup>25</sup> See Australia AD Initiation Checklist, Brazil AD Initiation Checklist, and Japan AD Initiation Checklist.

<sup>26</sup> See Australia AD Initiation Checklist, Japan AD Initiation Checklist, Korea AD Initiation Checklist, the Netherlands AD Initiation Checklist, Turkey AD Initiation Checklist, and the United Kingdom AD Initiation Checklist.

<sup>27</sup> See Turkey AD Initiation Checklist.

<sup>28</sup> See Korea AD Initiation Checklist.

reported expenses in the most recently available annual report of a distributor of steel.<sup>29</sup>

#### Normal Value

For Australia, Brazil, Japan, Korea, and Turkey, Petitioners provided home market price information obtained through market research for hot-rolled steel produced in and offered for sale in each of these countries.<sup>30</sup> For all five of these countries, Petitioners provided an affidavit or declaration from a market researcher for the price information.<sup>31</sup> For Brazil, Petitioners made deductions from the home market price for movement expenses and taxes consistent with the delivery terms.<sup>32</sup> For Korea, home market imputed credit expenses were deducted from the price.<sup>33</sup> Petitioners made no other adjustments to the offer prices to calculate NV, as no others were warranted by the terms associated with the offers.<sup>34</sup>

For Korea, and Turkey, Petitioners provided information that sales of hot-rolled steel in the respective home markets were made at prices below the cost of production (COP), and for the United Kingdom, and the Netherlands, Petitioners did not provide home market price information because, as noted below, they were unable to obtain home market prices. For all four of these countries, Petitioners calculated NV based on constructed value (CV).<sup>35</sup> For further discussion of COP and NV based on CV, see below.<sup>36</sup>

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<sup>29</sup> Id.

<sup>30</sup> See Australia AD Initiation Checklist, Brazil AD Initiation Checklist, Japan AD Initiation Checklist, Korea AD Initiation Checklist, and Turkey AD Initiation Checklist.

<sup>31</sup> Id.; see also Memorandum to the File, “Telephone Call to Foreign Market Researcher Regarding Antidumping Petition,” on each of the country-specific records, dated August 20, 2015 (Australia), August 20, 2015 (Brazil), August 25, 2015 (Japan), and August 25, 2015 (Korea).

<sup>32</sup> See Brazil AD Initiation Checklist.

<sup>33</sup> See Korea AD Initiation Checklist.

<sup>34</sup> See Australia AD Initiation Checklist, Brazil AD Initiation Checklist, Japan AD Initiation Checklist, Korea AD Initiation Checklist, and Turkey AD Initiation Checklist.

<sup>35</sup> See Korea AD Initiation Checklist, Netherlands AD Initiation Checklist, Turkey AD Initiation Checklist, and United Kingdom AD Initiation Checklist.

<sup>36</sup> In accordance with section 505(a) of the Trade Preferences Extension Act of 2015, amending section 773(b)(2) of the Act, for all of the investigations, the Department will request information necessary to calculate the CV and COP to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices that represent less than the COP of the product. The Department will no longer require a COP

### *Normal Value Based on Constructed Value*

Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing (COM); selling, general and administrative (SG&A) expenses; financial expenses; and packing expenses. Petitioners calculated COM based on Petitioners' experience adjusted for known differences between producing in the United States and producing in the respective country (i.e., Korea, the Netherlands, Turkey, and the United Kingdom), during the proposed POI.<sup>37</sup> Using publicly-available data to account for price differences, Petitioners multiplied the surrogate usage quantities by the submitted value of the inputs used to manufacture hot-rolled steel in each country.<sup>38</sup> For Korea, the Netherlands, Turkey, and the United Kingdom, labor rates were derived from publicly available sources multiplied by the product-specific usage rates.<sup>39</sup> For Korea, the Netherlands, Turkey, and the United Kingdom, to determine factory overhead, SG&A, and financial expense rates, Petitioners relied on financial statements of producers of comparable merchandise operating in the respective foreign country.<sup>40</sup>

For Turkey and Korea, because certain home market prices fell below COP, pursuant to sections 773(a)(4), 773(b), and 773(e) of the Act, as noted above, Petitioners calculated NV also based on CV for those countries.<sup>41</sup> For the Netherlands and the United Kingdom, Petitioners indicated they were unable to obtain home market prices; accordingly, Petitioners based NV only on CV for those countries.<sup>42</sup> Pursuant to section 773(e) of the Act, CV consists of the COM, SG&A, financial expenses, packing expenses, and profit. Petitioners calculated CV using the

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allegation to conduct this analysis.

<sup>37</sup> See Korea AD Initiation Checklist, Netherlands AD Initiation Checklist, Turkey AD Initiation Checklist, and United Kingdom AD Initiation Checklist.

<sup>38</sup> Id.

<sup>39</sup> Id.

<sup>40</sup> Id.

<sup>41</sup> See Turkey AD Initiation Checklist, and Korea Initiation Checklist.

<sup>42</sup> See Netherlands AD Initiation Checklist, and United Kingdom AD Initiation Checklist.

same average COM, SG&A, and financial expenses, used to calculate COP.<sup>43</sup> Petitioners relied on the financial statements of the same producers that they used for calculating manufacturing overhead, SG&A, and financial expenses to calculate the profit rate. For Turkey, we made an adjustment to the Petitioners' calculated profit rate.<sup>44</sup>

### Fair Value Comparisons

Based on the data provided by Petitioners, there is reason to believe that imports of hot-rolled steel from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom, are being, or are likely to be, sold in the United States at less-than-fair value. Based on comparisons of EP or CEP to NV in accordance with section 773(a) of the Act, the estimated dumping margin(s) for hot-rolled steel are as follows: 1) Australia is 99.20 percent;<sup>45</sup> 2) Brazil is 34.28 percent;<sup>46</sup> 3) Japan range from 16.15 to 34.53 percent;<sup>47</sup> 4) Korea range from 86.96 to 158.93 percent;<sup>48</sup> 5) the Netherlands range from 55.21 to 173.17 percent;<sup>49</sup> 6) Turkey range from 96.77 to 197.41 percent;<sup>50</sup> and 7) the United Kingdom range from 50.63 to 161.75 percent.<sup>51</sup>

### Initiation of Less-than-Fair-Value Investigations

Based upon the examination of the AD Petitions on hot-rolled steel from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom, we find that Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of hot-rolled steel from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom, are being, or are likely to be, sold in the United

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<sup>43</sup> See Korea AD Initiation Checklist, Netherlands AD Initiation Checklist, Turkey AD Initiation Checklist, and United Kingdom AD Initiation Checklist.

<sup>44</sup> See Turkey AD Initiation Checklist.

<sup>45</sup> See Australia AD Initiation Checklist.

<sup>46</sup> See Brazil AD Initiation Checklist.

<sup>47</sup> See Japan AD Initiation Checklist.

<sup>48</sup> See Korea AD Initiation Checklist.

<sup>49</sup> See Netherlands AD Initiation Checklist.

<sup>50</sup> See Turkey AD Initiation Checklist.

<sup>51</sup> See United Kingdom AD Initiation Checklist.

States at less-than-fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

On June 29, 2015, the President of the United States signed into law the Trade Preferences Extension Act of 2015, which made numerous amendments to the AD and CVD law.<sup>52</sup> The 2015 law does not specify dates of application for those amendments. On August 6, 2015, the Department published an interpretative rule, in which it announced the applicability dates for each amendment to the Act, except for amendments contained in section 771(7) of the Act, which relate to determinations of material injury by the ITC.<sup>53</sup> The amendments to sections 771(15), 773, 776, and 782 of the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to these AD investigations.<sup>54</sup>

#### Respondent Selection

Petitioners named six companies in Brazil, five companies in Japan, four companies in Korea, four companies in the Netherlands, six companies in Turkey, and five companies in the United Kingdom, as producers/exporters of hot-rolled steel.<sup>55</sup> Following standard practice in AD investigations involving market economy countries, the Department intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports under the appropriate HTSUS numbers listed in the “Scope of Investigations” section above. We intend to release the CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO within five business days of publication of this Federal Register notice.

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<sup>52</sup> See Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (2015).

<sup>53</sup> See Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015, 80 FR 46793 (August 6, 2015) (Applicability Notice).

<sup>54</sup> Id. at 46794-95. The 2015 amendments may be found at <https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl>.

<sup>55</sup> See Volume I of the Petitions, at 15 and Exhibit I-8.

Although the Department normally relies on the number of producers/exporters identified in the petition and/or import data from CBP to determine whether to select a limited number of producers/exporters for individual examination in AD investigations, Petitioners identified only one company as a producer/exporter of hot-rolled steel in Australia: BlueScope Steel.<sup>56</sup> Petitioners provided independent, third-party sources as support for their claim regarding BlueScope Steel. Additionally, we currently know of no additional producers/exporters of subject merchandise from Australia. Accordingly, the Department intends to examine all known producers/exporters in the investigation for Australia (i.e., the company named in the petition).

Interested parties wishing to comment regarding respondent selection must do so within seven business days of the publication of this notice. Comments must be filed electronically using ACCESS. An electronically-filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5 p.m. ET by the date noted above. We intend to make our decision regarding respondent selection within 20 days of publication of this notice.

#### Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the governments of Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom via ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

#### ITC Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

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<sup>56</sup> See Volume I of the Petitions, at Exhibit I-8; see also Volume II of the Petitions, at 3 and Exhibit II-4.

### Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of hot-rolled steel from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and/or the United Kingdom are materially injuring or threatening material injury to a U.S. industry.<sup>57</sup> A negative ITC determination for any country will result in the investigation being terminated with respect to that country;<sup>58</sup> otherwise, these investigations will proceed according to statutory and regulatory time limits.

### Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) Evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). The regulation requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct. Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Please review the regulations prior to submitting factual information in these investigations.

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<sup>57</sup> See section 733(a) of the Act.

<sup>58</sup> Id.



### Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under Part 351, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under Part 351 expires. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10 a.m. on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Review Extension of Time Limits; Final Rule, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in this segment.

### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>59</sup> Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as their representatives. Investigations initiated on the basis of Petitions filed on or after August 16, 2013, and other segments of any AD or CVD proceedings initiated on or after August 16, 2013, should use the formats for the revised certifications provided at the end of the Final Rule.<sup>60</sup> The

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<sup>59</sup> See section 782(b) of the Act.

<sup>60</sup> See Certification of Factual Information to Import Administration during Antidumping and Countervailing Duty.

Department intends to reject factual submissions if the submitting party does not comply with applicable revised certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, the Department published Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed in 19 CFR 351.103(d)).

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: August 31, 2015.

**Paul Piquado,**  
*Assistant Secretary*  
*for Enforcement and Compliance.*

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Proceedings, 78 FR 42678 (July 17, 2013) (Final Rule); see also frequently asked questions regarding the Final Rule, available at [http://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).

## Appendix I

### Scope of the Investigations

The products covered by these investigations are certain hot-rolled, flat-rolled steel products, with or without patterns in relief, and whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered do not include those that are clad, plated, or coated with metal. The products covered include coils that have a width or other lateral measurement (“width”) of 12.7 mm or greater, regardless of thickness, and regardless of form of coil (e.g., in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (e.g., in straight lengths) of a thickness of less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, i.e., products which have been “worked after rolling” (e.g., products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

(1) Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above unless the resulting measurement makes the product covered by the existing antidumping<sup>61</sup> or countervailing duty<sup>62</sup> orders on Certain Cut-To-Length Carbon-Quality Steel Plate Products From the Republic of Korea (A-580-836; C-580-837), and

(2) where the width and thickness vary for a specific product (e.g., the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of these investigations are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or

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<sup>61</sup> Notice of Amendment of Final Determinations of Sales at Less Than Fair Value and Antidumping Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate Products From France, India, Indonesia, Italy, Japan and the Republic of Korea, 65 FR 6585 (February 10, 2000).

<sup>62</sup> Notice of Amended Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plate From India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate From France, India, Indonesia, Italy, and the Republic of Korea, 65 FR 6587 (February 10, 2000).

- 2.00 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, the substrate for motor lamination steels, Advanced High Strength Steels (AHSS), and Ultra High Strength Steels (UHSS). IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum. AHSS and UHSS are considered high tensile strength and high elongation steels, although AHSS and UHSS are covered whether or not they are high tensile strength or high elongation steels.

Subject merchandise includes hot-rolled steel that has been further processed in a third country, including but not limited to pickling, oiling, levelling, annealing, tempering, temper rolling, skin passing, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the hot-rolled steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of these investigations unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of these investigations:

- Universal mill plates (i.e., hot-rolled, flat-rolled products not in coils that have been rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, of a thickness not less than 4.0 mm, and without patterns in relief);
- Products that have been cold-rolled (cold-reduced) after hot-rolling;<sup>63</sup>
- Ball bearing steels;<sup>64</sup>

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<sup>63</sup> For purposes of this scope exclusion, rolling operations such as a skin pass, levelling, temper rolling or other minor rolling operations after the hot-rolling process for purposes of surface finish, flatness, shape control, or gauge control do not constitute cold-rolling sufficient to meet this exclusion.

<sup>64</sup> Ball bearing steels are defined as steels which contain, in addition to iron, each of the following elements by weight in the amount specified: (i) Not less than 0.95 nor more than 1.13 percent of carbon; (ii) not less than 0.22 nor more than 0.48 percent of manganese; (iii) none, or not more than 0.03 percent of sulfur; (iv) none, or not more than 0.03 percent of phosphorus; (v) not less than 0.18 nor more than 0.37 percent of silicon; (vi) not less than 1.25 nor more than 1.65 percent of chromium; (vii) none, or not more than 0.28 percent of nickel; (viii) none, or not more

- Tool steels;<sup>65</sup> and
- Silico-manganese steels;<sup>66</sup>

The products subject to these investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7208.10.1500, 7208.10.3000, 7208.10.6000, 7208.25.3000, 7208.25.6000, 7208.26.0030, 7208.26.0060, 7208.27.0030, 7208.27.0060, 7208.36.0030, 7208.36.0060, 7208.37.0030, 7208.37.0060, 7208.38.0015, 7208.38.0030, 7208.38.0090, 7208.39.0015, 7208.39.0030, 7208.39.0090, 7208.40.6030, 7208.40.6060, 7208.53.0000, 7208.54.0000, 7208.90.0000, 7210.70.3000, 7211.14.0030, 7211.14.0090, 7211.19.1500, 7211.19.2000, 7211.19.3000, 7211.19.4500, 7211.19.6000, 7211.19.7530, 7211.19.7560, 7211.19.7590, 7225.11.0000, 7225.19.0000, 7225.30.3050, 7225.30.7000, 7225.40.7000, 7225.99.0090, 7226.11.1000, 7226.11.9030, 7226.11.9060, 7226.19.1000, 7226.19.9000, 7226.91.5000, 7226.91.7000, and 7226.91.8000. The products subject to the investigations may also enter under the following HTSUS numbers: 7210.90.9000, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7214.91.0015, 7214.91.0060, 7214.91.0090, 7214.99.0060, 7214.99.0075, 7214.99.0090, 7215.90.5000, 7226.99.0180, and 7228.60.6000.

The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only. The written description of the scope of the investigations is dispositive.

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than 0.38 percent of copper; and (ix) none, or not more than 0.09 percent of molybdenum.

<sup>65</sup> Tool steels are defined as steels which contain the following combinations of elements in the quantity by weight respectively indicated: (i) More than 1.2 percent carbon and more than 10.5 percent chromium; or (ii) not less than 0.3 percent carbon and 1.25 percent or more but less than 10.5 percent chromium; or (iii) not less than 0.85 percent carbon and 1 percent to 1.8 percent, inclusive, manganese; or (iv) 0.9 percent to 1.2 percent, inclusive, chromium and 0.9 percent to 1.4 percent, inclusive, molybdenum; or (v) not less than 0.5 percent carbon and not less than 3.5 percent molybdenum; or (vi) not less than 0.5 percent carbon and not less than 5.5 percent tungsten.

<sup>66</sup> Silico-manganese steel is defined as steels containing by weight: (i) not more than 0.7 percent of carbon; (ii) 0.5 percent or more but not more than 1.9 percent of manganese, and (iii) 0.6 percent or more but not more than 2.3 percent of silicon.

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